



**STATE OF THE CITY**  
**Honorable Mark W. Myers**

**February 10, 2015**

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**INTRODUCTION**

Thank you, Christian, for the kind introduction, it is a blessing to have an active and supportive Chamber of Commerce. Your organization has played a critical role in the growth Greenwood has enjoyed over the past three years.

This is my fourth State of the City address. We have accomplished much since I first stood before this group in 2012. I am proud of the team I have assembled and our accomplishments over the past three years. These are some of the highlights:

- ▶ The new City Center office building is now our home,
- ▶ Renovation of the old City Building will commence this year for use as a professional office building,
- ▶ City Center Park completed its first full season,
- ▶ The Council has approved a detailed and comprehensive plan for the revitalization of the Old Town business district,
- ▶ We have a new Downtown Redevelopment District which makes funding the revitalization of Old Town feasible,
- ▶ Construction is well underway on a new aquatics park which will open at Freedom Park this summer,
- ▶ Dozens of new businesses have opened or expanded,
- ▶ Construction has commenced on the ULTA cosmetics distribution center which is expected to create 537 permanent and full time jobs,
- ▶ Construction is underway on the Worthsville Road interstate exchange,
- ▶ Much of the City's debt has been refinanced at historically low interest rates,

- ▶ Our airport has been enhanced to be attractive to corporate air traffic and is now self-supporting,
- ▶ Our fleet of vehicles has been upgraded including 29 new vehicles in 2014 and 88 new vehicles over the past three years. The average age of our fleet has declined from 9 years when I was sworn in to six years today.
- ▶ Our sanitary sewer utility is solvent and compliant with state and federal environmental laws,
- ▶ Our stormwater control is now managed by a new stormwater utility which is compliant with state and federal environmental laws, and Our budget is balanced...Greenwood collects more each year than it spends.

## **CITY CENTER AND DOWNTOWN DEVELOPMENT**

On April 7, 2014 we moved into the City Center office building. The facility replaced both the Old City Building and rental space on Emerson Avenue. I am proud of this project. It is a great example of how my administration has conducted business over the past three years. City Center meets our needs. The facility is both attractive and functional, but few have walked into the lobby and immediately asked, “What did this cost?” The City Center project is a great example of the Greenwood Way of solving problems.

Converting the old Bank Tower into the City Center was not the easiest solution, but it was the correct solution. Many in the public had grown accustomed to seeing expensive public buildings with modern architecture and amenities constructed over the last 20 years in our sister communities. The National Bank of Greenwood Tower was designed and built in the 1970’s. From the very beginning of this project, we had to accept that our new office facility was not going to be as luxurious as those in many cities and it was not going to have the charm of a carefully restored 100 year old building on a historical register. While cutting the ribbon on the biggest and best is loads of fun, Tiffany & Company solutions are just not practical in a world of property tax caps and declining revenues.

The project required imagination. It was difficult for many, including me, to drive by the old bank building and imagine the current City Center. The Common Council demonstrated much faith in our architect and owner's representative when it approved the project. I admit that I was pleasantly surprised by the finished structure. I smile every time I see my office and never tire of hosting tours of the facility. When prospective businesses visit Greenwood to determine whether or not this is where they want to invest their money and time I am confident that none are being dissuaded by the condition of our office facilities.

The budget benefits our professionals predicted are proving to be true in the new facility. Total net facility costs are currently \$120,000 per year less after the move. This gap will increase as rents increase in the leased space. All of the employees who worked in the Polk Building and Emerson Avenue space are now comfortably housed in three of the four floors in the City Center tower. PNC was able to remain in the east section of the building which allows the City to collect \$104,000 annually in rent. The vacant 3rd floor in the tower now has two tenants who will soon be paying an additional \$57,000 annually in rent. These revenue streams combined with the energy enhancements in the new facility result in significant operating cost savings by consolidating our operations.

When the City Center project was presented to the Common Council, we hoped that saving the building would kick start downtown development. Since the project was announced, the old electric company building on Madison Avenue has been transformed into a busy barber shop, a vacant building next door to the City Center is now a unique "for benefit" coffee shop and the Van Valer building has become a popular gourmet restaurant. We are close to a deal with a medical services provider which employs over 300 professionals to occupy the Old City Building. Its rehabilitation will be the first project for the Redevelopment Commission in the new Downtown Redevelopment District. The City, with much assistance from the Restore Old Town Greenwood organization, obtained a grant to create a redevelopment plan for the Old Town business district; a plan which was recently approved and adopted by the Common Council. The Redevelopment Commission and Common Council created a new redevelopment district which encompasses the downtown business district. The new redevelopment district will generate sufficient money to fund projects in the area by capturing the revenue from assessed value of commercial projects inside the district. No new taxes will need to be levied for the

work. After decades of false starts, frustration and disappointment, it appears that revitalization of the Old Town Business District is finally underway.

## REDEVELOPMENT COMMISSION

Much of what we have accomplished over the past three years was made possible by the work of our Redevelopment Commission. The State Legislature has left local government with very few options to make vital long term investments in communities. Without active Redevelopment Commissions and the Tax Increment Financing they enable, very little development would be possible under existing local government funding formula. Successful Indiana communities have active and forward-looking redevelopment commissions. The work of our commission has made possible our City Center office building, Worthsville Road interstate exchange, Freedom Park aquatics center, and numerous smaller projects. Several businesses have relocated to Greenwood because of incentives made possible by the work of the Commission. Its reputation for good business sense and forward thinking will give Greenwood opportunities to attract many more good employers in the next several years.

We are blessed to have five very accomplished businessmen and elected officials serving on our Redevelopment Commission. Commission members earn only \$100 per meeting and spend many uncompensated hours outside of meetings reviewing proposals and meeting with Greenwood officials, representatives of local school boards, library boards, and concerned citizens. Two members are also City Councilors and receive no compensation for their time and efforts. The Commission controls millions of dollars for projects essential to the growth of our community. (Introduce Redevelopment member by name)...please stand and be recognized for your service.

## NEW INFRASTRUCTURE IMPROVEMENTS

Greenwood has attracted many new residents and businesses over the past 20 years and we have struggled to sufficiently expand the infrastructure to serve our newcomers. When I peer out my

office window during a weekday rush hour, it sometimes appears that all 53,000 of us have hit the streets in unison. My administration has made a concentrated effort to capture more of the tax dollars we send to Indianapolis and Washington, D.C. every year. Mark Richards and his team have produced some excellent proposals and I have kept Greenwood in the hearts and minds of our state representatives, state senators, congressmen and senators by making time to meet with them and touting our projects. Our efforts have produced some notable successes. In 2014, Greenwood secured \$10.75 million in grants. Projects recently concluded, in progress or approved include:

- ▶ The Worthsville Road Interchange and improvements between I-65 and U.S. 31,
- ▶ The roundabout at the intersection of Main Street and Averitt Road,
- ▶ The traffic signal at intersection of Graham Road and Main Street,
- ▶ A design study at the corner of Smith Valley Road and Madison Avenue,
- ▶ The dual roundabout at the corner of Smith Valley Road and State Road 135,
- ▶ The roundabout at Smith Valley Road and Yorktown Road,
- ▶ The roundabout at Stones Crossing Road and Honey Creek Road,
- ▶ The lane expansion and improvement of Worthsville Road between U.S. 31 and Averitt Road,
- ▶ Combined Stormwater and Parks Department project on Fry Road,
- ▶ The Stormwater Utility downtown bridge and Pleasant Creek restoration project,
- ▶ The combined Stormwater, Street and Sanitary Sewer Utilities Pearl Street project,
- ▶ 2013 Airport Runway Extension,
- ▶ A SAFER Grant to hire new fire fighters,
- ▶ The Traffic Signal at the High School on Smith Valley, and
- ▶ FEMA reimbursement for the tireless efforts of DPW staff during the 2014 Winter Storms

Our City utilities are now solvent and in compliance with State and Federal environmental laws. The Common Council approved some modest rate increases for the sewer utility which are funding long overdue replacement and upgrading of existing lines. In 2014 the sewer utility also issued a \$7 million bond to fund the construction of critical sewer projects in Old Town Greenwood and along Pleasant Creek. In some cases we are finding and replacing pipes which

are almost a century old. The project will increase the efficiency and capacity of the system and reduce inflow and infiltration of storm water. The bond was not guaranteed by tax revenue from the City so financial institutions were required to separately evaluate the financial health of the sewer utility as part of their diligence. Our lenders were pleased with what they found. The City's financial advisors predicted that the interest rate on the instrument would be 3.45% since the bonds had a 20 year term. The winning bid called for interest payments of only 3.06%.

The new Stormwater Utility has started its work with some ambitious projects in the Old Town area. Work has commenced on restoration of Pleasant Creek which flows through Old Park and the City Center Park and replacement of the Market Plaza Bridge. The Stormwater, Street and Sewer utilities are working together on two projects. Rather than close a street for months to replace a line and then close it again in a few years for surfacing, sidewalk repair or addition of storm sewers, our Street, Sanitation and Stormwater departments are working together on Pearl Street to replace the sanitary sewer, install a storm sewer, upgrade the sidewalks and resurface the street. The utilities are also working together on non-compliant sump pump discharge, a problem which has burdened the Sewer Utility for many years. Many older homes in Greenwood were built without proper drainage. In order keep their basements dry, hundreds of homeowners connected their sump pumps to the Sanitary Sewers. This clean storm water combines with waste water and is treated as waste. We spend over \$1 million dollars a year to treat clean storm water which needs no treatment. Since sewer bills are based upon water purchased, the homeowners contributing the clean water from their sump pumps pay nothing for the extra treatment cost their discharges cause the utility to incur. In order to encourage compliance and assist homeowners, the Sewer and Stormwater utilities have created a pilot program which provides up to \$500 dollars in financial assistance for homeowners seeking to make their systems comport to City Ordinances and regulations. If the pilot program succeeds, it will be implemented throughout other neighborhoods within utility's service area.

## COMMITMENT TO QUALITY OF LIFE

While we have invested significant focus on balancing the budget and restoring the fiscal viability of the City over the past three years, we have also invested in infrastructure and

amenities that increase the quality of life in Greenwood. Our future depends upon these projects and programs to attract and retain growth. Any business worth attracting will insist upon locating in a community that is both livable and desirable for its employees. A high quality of life attracts high quality employers and helps to ensure that the employees choose Greenwood as their homes rather than commuting from neighboring communities.

Quality of life consists of many factors including high quality recreational amenities. Over the past three years, Greenwood has opened one new recreational facility and is well into construction on a second one. The City Center Splash Park and Playground opened in late summer 2013 and the Freedom Springs Aquatic Park will open on Memorial Day weekend 2015. City Center Park is located in the heart of the Old Town Business District. It gave me great joy this summer to see its parking lot packed on warm days as families enjoyed its state of the art water and playground features. Not only is the park providing children and families with a new place to play and spend time together, but it is also drawing families to downtown businesses. I am also proud to report that Freedom Springs will be open for business this summer, giving Greenwood families a true aquatic playground to have adventures and make memories.

In addition to these two high profile projects, the City has also invested in several other less publicized projects and programs which are important to note. The Sertoma Club recently donated funds to construct a new shelter in Northwest Park along Fry Road. The Parks Department installed three educational play pockets in Craig Park to meet the needs of the thousands of Children who play in the Park each year. The City is also investing in its Trails System. Trails or “linear parks” in parks speak, are one the most utilized features in parks departments throughout the United States and are one of the most desired amenities cited by developers and employers when evaluating communities for quality of life. In 2012, the City began a partnership with the Greater Greenwood Arts Council to locate works of public art along Polk Hill Trail which runs along the Smith Valley Road bypass. Through this program the City leased three sculptures for two years. Last Spring, the City expanded the partnership by purchasing the Stryder II sculpture and leasing three new works of public art for the next two years. In 2015, the Parks Department will also complete an extension of its trail network so that families can safely walk to our new Aquatic Center.

Community festivals bring exposure and commerce to our local businesses and provide quality live entertainment for our residents. WAMMFest and The Freedom Festival remain very popular and have been enhanced by the participation of more local food and beverage vendors. The success of these events has persuaded the Parks Board to upgrade the facilities and expand the programs at the Craig Park Amphitheater in 2015. Patrons will enjoy more choices of food and beverage and improvements are planned to make the venue more attractive and usable.

The City is fortunate to have a vibrant and active library in the heart of the Downtown Business District and New Downtown Redevelopment District. The Library is separately governed and separately funded from the City, but is essential to our efforts to attract new businesses and families to our community. Books and digital media are only a part of the Library's offerings. The Library also creates and provides live programs for all ages and allows many community groups to use its facilities. Those of you who have attended events at Craig Park and Old Park are aware that our success relies heavily on the use of Library facilities and the patience of its staff and patrons. The City appreciates the cooperation and has worked to be a good partner to the Library. When the Library experienced significant shortfalls in its operating expenses in 2013, our Street Department provided it snow removal at no charge. The Redevelopment Commission recently approved grants of \$310,000 to resurface the Library's parking lot, correct drainage issues on its parking lot and replace its lift stations. This contribution will ease the financial pressure on the Library and help correct flooding and drainage issues it has faced.

Other key components of healthy and sustainable growth are the three public school systems which serve Greenwood residents. The City plays no role in the governance of the school systems, but their performance and reputations are critical to our efforts to attract and keep businesses and residents. The State grades schools and school corporations on an A through F scale. An "A" grade indicates exemplary performance. Individual schools are also given letter grades and exceptional schools may receive four stars ratings. The Greenwood Community School Corporation received an overall grade of "A" from the State. Five of its schools received an "A" rating and State Marching Band Champion Greenwood High School also received a Four Star Rating. Center Grove Community School Corporation received an overall grade of "A". All of its eight schools received A's and five of its eight schools also received four star ratings from



the State. Clark Pleasant School Corporation also received an overall grade of “A” and all of its schools received “A” ratings. Clark Pleasant Intermediate School also received a four star rating.

I am proud of our local schools and appreciate their contributions to quality of life in Greenwood. My administration has made a point of enhancing the communication between the City and the superintendents of our three corporations and finding ways for our entities to work together. For example, when the Common Council created the Stormwater Utility in 2012, the enabling legislation was drafted to allow school corporations to apply for environmental education credits. One of the Clark Pleasant Schools was located near the East Side Redevelopment district and was affected by the new Worthsville Road interstate exit. In 2013, the Redevelopment Commission gave Clark Pleasant a grant of \$630,000 to build an entrance away from the expected traffic on Worthsville Road. In 2014, the City installed a traffic light at the entrance of Greenwood High School at the request of the Greenwood school district. The Greenwood Police Department continues to provide traffic control before and after school and at sporting events. The Fire Department also provides Fire Education and Prevention education to students - increasing the safety knowledge of our youngest residents.

Since we sometimes compete for the same tax revenue, the City and the school districts it serves are not going to agree on everything, but we have improved both the frequency and quality of our communication over the past three years. I have had the opportunity to meet with each of our superintendents several times as have some of our Councilors and Commission members. Greenwood’s superintendent, Dr. Dekoninck, has been particularly good about meeting with us and discussing common problems. We have found areas where we can work together and are discussing possible new projects. I look forward to working closely with all of our school corporations in the future.

## LAW DEPARTMENT

Last year I shared the story of a particularly glib Councilor who opined that my job consisted primarily of ribbon cuttings and golf. He was mistaken. I was barely able to get out on the course and ribbon cuttings are certainly important, but the most important part of my job is finding the

right talent for key positions and providing them with the tools and direction to excel at their jobs. I am finishing my address today by recognizing the work of the Law Department and Finance Department, both of which are led by young professionals who had no experience in local government before joining the City in 2012. Krista Taggart is Greenwood's first Corporation Counsel. Krista and City Attorney Shawna Koons have saved the City tens of thousands of dollars in outside counsel fees by completing work in house which other communities of our size generally outsource. The entire list would take all afternoon to recount. These are a few of the highlights:

- ▶ Greenwood has closed five bonds in the last three years without the expense of local counsel which saved the City between \$15,000 and \$20,000 per issuance.
- ▶ The recent annexation of land on the east side of Greenwood and expansion of the redevelopment districts were completed almost entirely in house.
- ▶ The City now challenges claims from employees who are dismissed for cause rather than losing thousands of dollars to payments to those who are not entitled.
- ▶ Collection of delinquent utility bills through the lien process resulted in only \$10,000 in revenue in 2012. In 2014, over \$500,000 was collected by the Law Department as a result of filing liens and an additional \$250,000 in response to demand letters issued by the Department.
- ▶ The Law Department was also instrumental in both bringing the City into compliance with State and Federal laws and regulations and adopting best practices for local government including:
  - Drafting policies with in cooperation with Human Resources to bring the City into compliance with the Family Medical Leave Act,
  - Worked with Human Resources to create an employee handbook, travel policy, nepotism ban, paid time off donation policy and Roth retirement plan and to revise the City's 457(b) plan.
  - Drafted a short term disability policy with Human Resources which included for the first time oversight by an outside auditor which has saved the City thousands of dollars since it was implemented and will save the City hundreds of thousands of dollars over the next decade, and

- Drafted expansion of the Redevelopment Commission Plan which made possible the Freedom Park aquatics facility.

One of the challenges of hiring bright and confident people is their propensity to disagree with you when they see a problem. I know that many of you will be shocked to learn that my lawyers and I do not always agree. As I look over the audience, I see the faces of several Councilors, Board Members, Department Heads and vendors whose plans have been altered after being properly vetted by the legal team. Krista and I occasionally have had spirited discussions about the interaction of law and my view of good policy. While I am sometimes frustrated that state and federal laws often conflict my view of common sense, I am grateful that my lawyers have the guts to speak honestly to our elected officials, department heads, vendors and especially me when our work may create liability for the City.

## **FINANCIAL HEALTH**

Since this is a Chamber sponsored event, I know that many of you, or even most of you, own or manage businesses. Your careers depend on the bottom line. Let me finish today's overview with a recap of the City's financial health. I want those of you who stayed to end of my speech to sleep well tonight. When I am finished describing the work of our young Controller over the past 3 years, everyone in this room will feel much better not only about Greenwood's finances but also the competence of local government generally.

Greenwood finished 2014 with a surplus of \$389,277. The 2014 budget adopted by the Common Council predicted a \$96,000 surplus. We expect the trend to continue in 2015. Each of the three budgets presented by my team has been in the black. In 2014, we added \$300,000 to the Rainy Day Fund. The Rainy Day Fund balance has increased by 50% since my first budget was implemented on January 1, 2013. When I took office, the City was burning its savings at an alarming rate. In 2011, the year before I took office, the general fund balance dropped by \$721,359. The actual impact on the City's balance sheet was much greater because operating expenses were being funded by deferred maintenance and raiding earmarked capital accounts. The dramatic reversal of the City's financial performance was the result of both more efficient

spending and enhanced non-tax revenue. The remedy did not require any new taxes. In 2014, Greenwood's tax rate declined to 66 cents (\$.6609) per hundred dollars of assessed valuation. The rate was seventy one cents (\$.7122) in 2011. Our certified tax rate was 6th lowest among Civil Cities in Indiana. Our rate is low despite the fact that we receive no revenue from Local Option Income Tax or County Option Income Tax. Our per capita spending is the second lowest among Indiana's 30 largest cities. Even after commencing several new capital projects and upgrading much of our fleet, Greenwood remains one of the most affordable cities in the United States.

Righting our ship would not have been possible without the cooperation of the City's legislative branch. Saving the City from financial ruin involved some hard and sometimes unpopular decisions. Real leaders face their constituents and cast the difficult votes necessary to keep their cities safe and solvent. We have not agreed on everything over the past three years, but you have stood tall on the difficult and critical questions. I am proud to have served with you and look forward to working with you in the future.

The quality of our financial reporting has improved by leaps and bounds. We have worked with several lenders, financial consultants and underwriters over the past three years. Each has been impressed by the accuracy and transparency of financial information produced by Greenwood's Finance Department. I could spend the rest of this speech touting the work of Adam Stone and his team, but I will confine myself to the highlights:

- ▶ In 2014, the State Board of Accounts awarded Greenwood its first clean audit in last 10 years,
- ▶ Greenwood is one of only 8 Indiana cities which have issued a Comprehensive Annual Financial Report. Issuing a CAFR makes Greenwood more attractive to bond underwriters and buyers and gives anyone doing business with the City added confidence,
- ▶ Greenwood received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting on its first attempt. The GFOA certificate is the highest recognition for government finance departments,

- ▶ Greenwood is only the second city in the state to implement CommonPoint 360. CommonPoint 360 increases the level and sophistication of financial reporting for Tax Increment Financing districts,
- ▶ We are first city in the Indiana to implement the OpenGov Financial Transparency Portal. OpenGov's web-based platform empowers City managers to see trends, drill down to transaction-level detail and compare actual spending to that budgeted. It also enables Greenwood to share financial information with the public to improve communication and build trust.

Adam Stone, please stand and be recognized for your leadership as Greenwood's first controller.

## CONCLUSION

This speech marks the beginning of the final year of my first term. I have thoroughly enjoyed the last three years and look forward to serving you for another term. When I started working on my transition after the election in 2011, I was surprised by both the number and seriousness of the challenges the City faced. I was also a bit saddened that many in our community had lost hope in our ability to solve the problems. If I had a dime for each time I heard someone say that either the voters or the council "would never consider" a solution during my first six months as mayor, I could be retired now.

Most of the initiatives which were enacted over the past three years required a modest amount of sacrifice and compromise. We discovered that our employees were happy to accept a less generous benefit package and make better use of those benefits to help us balance the budget. Our residents were willing to pay a bit more for utility services to keep the operations solvent and compliant with environmental laws. A majority of our Common Councilors supported building an aquatics center even if the facility was not built in their preferred location or included the precise features they desired. There was often spirited debate about how to finance our projects, but we found sufficient common ground to see them approved and built.

I am especially proud of our efforts to become better stewards of the City's resources. Much of our work over the past three years has been directed at rebuilding infrastructure and ensuring that

proper maintenance and replacement of the City's assets is adequately funded and implemented. These efforts do not provide immediate benefits for current residents and they rarely earn any media coverage. Replacing sewer lines, installing drainage pipes and growing the City's raining day fund create no photo opportunities, but these efforts keep our children and grandchildren from being saddled with large debts and crumbling infrastructure.

I am proud to be your mayor. Greenwood works because we are willing to recognize and serve needs of our future generations. Thank you for joining me today and for your kind attention to my address.